WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Policy of bidding for coal blocks

2416. SHRI PYARIMOHAN MOHAPATRA: Will the Minister of COAL be pleased to state:

(a) what are the benefits envisaged in Government's policy of bidding for coal blocks;

(b) how Government is going to ensure that most of the remaining coal blocks are not cornered by multinationals/foreign companies in the process of bidding; and

(c) the steps taken by Government on the representations of the Indian mine-owners in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL): (a) With progressive allocation of coal blocks, the number of coal blocks available for allocation is declining, while the number of applicants per block is increasing, as the demand for coal keeps increasing. This has made the selection of an applicant in respect of a block difficult and vulnerable to criticism on the ground of lack of transparency and objectivity. Therefore, there is an urgent need to bring in a process of selection that is not only objective but also demonstrably transparent. Auctioning through competitive bidding is one such/acceptable selection process. This would also be a means of securing the most optimal allocation of limited and precious natural resources such as coal and lignite.

(b) In terms of the Mines and Minerals (Development and Regulation) Amendment Bill, 2008, auctioning through competitive bidding would be applicable to coal blocks offered for captive use in specified end-uses only. Allocation to Government companies and power projects accorded through tariff based competitive bidding would not fall within the purview of auction. In view of the captive use stipulation, coal blocks would be allocated to companies which are registered and operating within India, and are either engaged in the specified end use activities or have back-to-back tie up with such end user companies.

(c) A representation from the Federation of Indian Mining Industries (FIMI) has been received recently, which will be examined on merits.

Allocation of coal to Gujarat

2417. SHRI PRAVEEN RASHTRAPAL: Will the Minister of COAL be pleased to state:

(a) what are the criteria for allocation of coal from Western Collieries Ltd, (WCL);

(b) whether there is a demand from Gujarat for allocation of coal from WCL; and

(c) if so, the details of such allocation during the last five years?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL): (a) The Standing Linkage Committee (Short Term), an inter-Ministerial Committee comprising of representatives of Central Electricity Authority, Ministry of Power, Ministry of Railways and

representatives of coal companies used to allocate coal from coal producing companies including Western Coalfields Limited to various power utilities, keeping in view, *inter-alia* their proximity from the coalfields, coal availability, grades of coal as per the Ministry of Environment and Forest (MOEF) norms and transport logistic involved. During the last two quarters, the meetings of Standing Linkage Committee (Short Term) have not been held, as the role of that Committee, keeping in view the provisions of New Coal Distribution Policy, is under review. During this period, coal allocation is being made by coal companies based on Fuel Supply Agreements and past practices.

(b) and (c) Yes, Sir. During the last five years, only one Captive Power Plant of 12 MW located at Surat, Gujarat, was granted Letter of Assurance by Western Coalfields Limited (WCL), based on authorization approved by Standing Linkage Committee (Long Term). Among existing consumers, Ukai Thermal Power Station has been granted coal allocation of 0.930 MTPA from WCL. WCL is also supplying coal to small and medium consumers of Gujarat, through South Gujarat Federation of Industries Limited, an agency nominated by the State Government.

Burning of gas in coal mines in Jharkhand

2418. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that the gas produced from coal mines in Jharkhand is being burnt without being used for any purpose;

(b) if so, the details thereof;

(c) whether Government is formulating any policy to tap this precious natural resource and use it for feeding industries or as domestic piped gas;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL): (a) and (b) Generally gases released during the operation in coalmines, get mixed with ventilation air and are released to the atmosphere through the exhaust system of the mine. However, Coal Bed Methane (CBM) produced at Moonidih mine of Bharat Coking Coal Limited (BCCL) in the State of Jharkhand is being utilised to generate 500 KW of electricity.

(c) to (e) Government of India has formulated a CBM Policy in 1997 to expedite commercial development of coal bed methane in the country. As per the CBM Policy 1997, Ministry of Petroleum and Natural Gas (MOP&NG) is the administrative Ministry and Director General of Hydrocarbons (DGH) is the nodal agency of development of CBM in the country. Under this Policy, the Government of India has allotted 26 CBM blocks to different operators through 3 rounds of global bidding. Under CBM Round IV, 10 more blocks have been proposed to be offered through competitive bidding.